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### **An Overview of Monroe County's 2016 Annual Trending**

The following steps were taken to conduct the 2017 annual trending in Monroe County:

#### **General Overview:**

The Monroe County housing market experienced a greater number of sales during the 2017 assessment year as well as an overall increased value in the housing pricing. Actual percentages varied by neighborhood. Major commercial projects also continue to be developed. Primarily apartment/retail mix projects. Monroe County is the home to Indiana University. Enrollment within the university continues to grow each year, resulting in an increased demand for housing, whether it is owner occupied or rental properties. For the entire trending process sales from 1/1/2016 through 12/31/2016 were used. There was no time adjustment of any sales. The Indiana Housing Market Report for the time period of year 2016 indicates +5.2% increase in median home sale prices. As stated above specific areas within Monroe County continue to show growth not only in sales, but new construction, while other areas have remained flat.

The updated depreciation year and updated Location Code Multiplier (LCM) provided by the state was implemented for all real property parcels. Every residential neighborhood was analyzed. Sales were the primary base for any market factor changes. Additional information such as appealed properties and the net result of the depreciation year and the LCM change was also taken into consideration when determining the appropriate neighborhood/market adjustment factor. For those townships and neighborhoods that did not experience any sales, annual adjustments were based upon overall tendencies within the county.

#### **Land Values:**

Land base rates were reviewed and as a whole were basically left unchanged. Minor revisions were made to various neighborhoods where dictated by the market.

Twenty-one (21) residential neighborhoods (53003077, 53004057, 53004058, 53011076, 53011098, 53013065, 53014008, 53015034, 53015048, 53015050, 53015053, 53008087, 53008095, 53008146,

53009036, 53009037, 53009043, 53009143, 53009224, 53009225, &53009243) had their land rates modified. The trending factor was adjusted as well to compensate for the increased land value.

### **Market Adjustment Factors (Residential):**

Monroe County has approximately 1060 residential neighborhoods defined. As a result of the updated depreciated year and LCM change all residential property was affected in some manner. As a result of these changes, newly created factors were implemented when necessary. As stated above, Monroe County experienced a greater number of sales as well as experienced an increase in the median home price. The percentage of change that occurred varied depending on the actual neighborhood. New neighborhoods are continually being developed and new updated sales information in these newly developed areas has led to some of these changes.

### **Use of Sales information**

Monroe County is committed to utilizing as many valid sales as possible. As stated above, sales from January 1, 2016 through December, 31, 2016 were used. Where applicable multiple parcel sales (total of 74) were also used. This year's study contains 2184 sales. An increase of 207 sales over last year's study. A detailed file titled, ***"Monroe Sales Reconciliation Rpt. For DLGF"***, has been submitted with this year's ratio study. This file contains two worksheets; 1. ***"Sales used but not listed"*** – list of 31 sales that were deemed to be valid and submitted as such but were not included in the Monroe Sales Reconciliation 02-13-2017 file. 2. ***"Sales Trimmed"*** - list of 23 sales (with explanation) from the received reconciliation report submitted by the DLGF, dated 2-13-2017 that were not used.

Due to a lack of sales information, three (3) sales from the 2014 time period were used within the Industrial Vacant study. There were no 2015 sales occurring for this grouping. Due to the extreme limited number of sales, there was no time adjustment of these 3 sales due to lack of reliability.

### **Groupings**

Within the residential improved study Polk and Salt Creek Township were combined due to lack of sales. These two townships border each other and are rural in nature.

Within the residential vacant study, Bean Blossom and Richland Township were also combined due to lack of sales. These two townships were combined due to they are the only two townships that are part of the school corporation for the area.

Within the Commercial Improved and Commercial Vacant studies, those townships that did not have the minimum number of sales, were all grouped together in a county wide analysis.

Within the Industrial Improved study, all townships were grouped together due to lack of sales

Within the Industrial Vacant study all townships were grouped together. There was only three (3) sales from the 2016 time frame, thus sales from 2014 were also used. There were no sales from the 2015 period to use. Sales from the 2014 time frame were not time adjusted due the limited activity.

## Neighborhood Comparison

The following neighborhoods were grouped together for comparison purposes when calculating trending factors.

53009036 & 53009037

53009050 & 53009051

53009109 & 53009110

53009074, 53009081, 53009082, 53009084, 53009085 & 53009088

53009075, 53009076, 53009086, & 53009089

53011034, 53011035 & 53011037

53011044 & 53011045

53013011 & 53013012

53013031, 53013032 & 53013034

53013037 & 53013038

53015049 & 53015050

**SPECIAL NOTE:** When conducting your analysis, all property class code 419 (other commercial housing) – which are rental homes should be compared with 510 and 511 class codes within the given neighborhood as they are assigned to the residential neighborhoods and trended accordingly.

## Percentage Change

The following township groupings had changes greater than 10% (increase/decrease):

**Benton (Vacant Commercial):** Increase was the result of one parcel increasing. Developers discount was removed.

**Clear Creek (Improved Industrial):** Increase was the result of one parcel increasing by \$190,400 – increase was due to new construction.

**Perry (Vacant Residential):** Increase was the result of 73 parcels having a total increase of \$2,858,900, which accounts for 93% of the total increase. These 73 parcels were the result of growth. Either developers discount was removed for development or they were newly platted lots for the 2017 assessment year.

**Richland (Vacant Industrial):** The entire increase was the result of three (3) newly created parcels for the 2017 assessment year.

**Richland (Vacant Residential):** There were a total of 51 parcels that either had their developers discount removed due to development or they were newly platted lots for the 2017 assessment year. The total value for these 51 parcels accounts for more than 100% of the total increase for this townships class.

**Van Buren (Industrial Vacant):** One (1) parcel accounted for the total increase. Parcel had previously had negative influence applied and it was removed due to future development.